



(UBS)

Keeping up with the fast-moving AI headlines

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The Chief Investment Office believes we are still in the early innings of the AI growth story. Despite the solid recent gains, they continue to see broad-based investment opportunities across the three AI layers—enabling, intelligence, and application. But it can be hard to keep up with all the headline coming out surround Artificial Intelligence (AI).

ChatGPT maker OpenAI has released a more advanced large language model at a higher USD 200 per month price tier, allowing more computing power for advanced research, coding, and writing tasks. Elon Musk's xAI startup says it has closed a new USD 6bn equity fundraising round. Meta has announced a deal to buy green credit from four large US solar energy projects to meet its green commitments amid surging AI and data center power needs. Reuters reports chip foundry TSMC is in discussions to use its new Arizona plant to manufacture NVIDIA's latest-gen Blackwell AI chips, starting as soon as 2025. US President-elect Donald Trump has announced plans to appoint former PayPal COO David Sacks as a "White House AI and Crypto Czar."

And that's just the most recent news!

The Chief Investment Office believes AI will likely prove to be one of the biggest investment opportunities of the decade. They estimate potential revenues of more than USD 1.1tr across the segment by 2027.

Our view: Without taking any single-name views, our order of preference within the global AI opportunity set remains first the enablers, second the platforms, third the memory makers, and fourth the semiconductor equipment manufacturers. We remain cautious on traditional tech segments such as smartphones, PCs, and consumer electronics. We think investing in AI-linked private infrastructure, like data centers or power infrastructure, may provide stable, attractive returns.

See more in the [US Daily: Markets eye payrolls for Fed's next step](#), published 6 December 2024.

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